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Welcome to the second issue of the Edinburgh Labour Market Bulletin. Produced by the City of Edinburgh Council's City Development Department in conjunction with the Joined Up for Jobs Partnership, this quarterly bulletin provides a regular picture of labour market conditions in the Scottish Capital.

Summary Analysis

Claimant count unemployment continued to fall to another record low 1.7% – a decline which saw the city's unemployment rate equalling the total rate of the Lothians. The Scottish rate also fell, dropping from 2.6% to 2.1%.

Despite the low level of unemployment of 1.7%, disparities continue to exist between different areas of the city. Of the 58 wards (2003 CAS boundaries), 21 have unemployment rates of under 1%, while 11 have rates above 3%. An examination of levels of Incapacity Benefit in the city, which is a priority focus for reduction by Government agencies, shows a relatively steady level of claimants.

However, there are encouraging signs within the 12 identified Regeneration Outcome Agreement (ROA). Here, where unemployment fell by more than in other areas of the city and the percentage of long term unemployed (over a year) is 1.1% lower than the rest of the city.

On the labour-demand side, new vacancies notified by Job Centre Plus nearly doubled in the last quarter to 6,206. 31.5% of vacancies were in sales and customer service roles, while a further 35.8% were in elementary occupations. The sectors with the most vacancies were the financial sector with 38.2% of the share and distribution, hotels and restaurants with 29.8%.

Vacancies are being filled faster with the average duration falling to just 4.21 weeks in the last quarter. The proportion of vacancies over 13 weeks also fell sharply to just 5.4%.

Our press round up tells us that there are plans in the pipeline which will lead to numerous new jobs. Highlights include plans for a four-storey hotel/restaurant in a vacant section of FountainPark (up to 200 jobs); some up-market clothing retailers taking up units in the city centre; and the creation of 30 high-skilled jobs at IT firm Barco, thanks to a Scottish Enterprise grant.

We hope that you find this bulletin useful and would be delighted to receive any feedback via the Access to Employment team at workingcapital@edinburgh.gov.uk

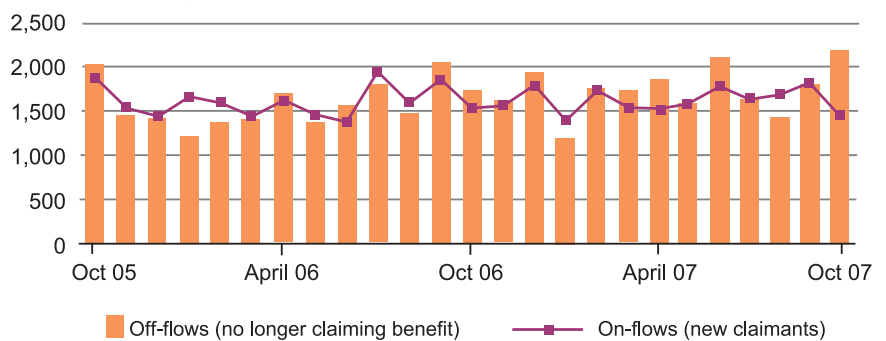
City and National Trends Quarter 4, 2007

Key Indicators

	Edinburgh City	Lothian	Scotland
In employment (April 06 – March 07)	77.2%	78.0%	75.7%
Economically inactive (April 06 – March 07)	18.5%	17.7%	20.0%
Claimant unemployed (% working age population, October 2007)	1.7%	1.7%	2.1%
Long term unemployed (> 12 months October 2007)	12.8%	11.4%	14.9%

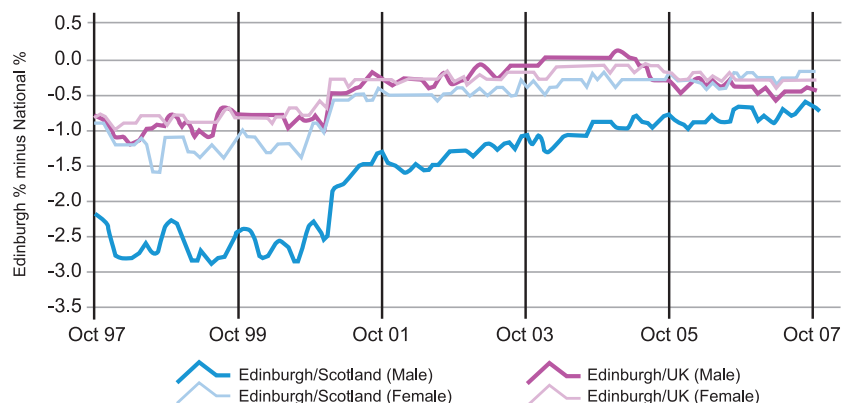
Source: NOMIS

Monthly On and Off-Flows to Unemployment Register Edinburgh City



Source: ONS and City Development Department, City of Edinburgh Council (Planning Information Section)

Difference between Edinburgh (TTWA) and National Unemployment Rates



Source: ONS and City Development Department, City of Edinburgh Council (Planning Information Section)



Ward Labour Supply statistics July 2007

Presented below is a labour market snapshots for each of the wards in the city. Due to the current lack of data for the new wards information is constructed using clusters of the previous wards on which statistics have been gathered.

Priority action areas as defined in the Regeneration Outcome Agreement are **highlighted** within the relevant grouping.

All information presented in this section is sourced via the NOMIS Labour Market Statistical website and the Census data 2001. The % figures are based on the working age population living in each ward and LTU = long term unemployed.

Ward 1: Almond

	In Employment %	Economically inactive %	Total Claimant unemployed						
			2006	Q3 2007	Q4 2007	% >1 year	% LTU >1 year	Quarterly % Change	Annual % Change
Ward Data	79.4	17.6	211	169	153	1.0	13.7	-9.5	-27.5
Dalmeny/Kirkliston	79.3	17.4	86	76	73	1.5	13.7	-3.9	15.1
Queensferry	82.6	14.6	86	54	52	0.9	15.4	-3.7	-39.5
Cramond	75.1	21.9	39	39	28	0.7	10.7	-28.2	-28.2

Ward 2: Pentland Hills

	In Employment %	Economically inactive %	Total Claimant unemployed						
			2006	Q3 2007	Q4 2007	% >1 year	% LTU >1 year	Quarterly % Change	Annual % Change
Ward Data	71.1	25.4	234	178	173	1.1	6.4	-2.8	-26.1
Balerno	79.2	18.2	24	32	28	0.6	7.1	-12.5	16.7
Baberton	79.1	19.1	38	32	33	0.7	9.1	3.1	-13.2
Sighthill	58.8	35.8	172	114	112	1.8	5.4	-1.8	-34.9

Ward 3: Drum Brae/Gyle

	In Employment %	Economically inactive %	Total Claimant unemployed						
			2006	Q3 2007	Q4 2007	% >1 year	% LTU >1 year	Quarterly % Change	Annual % Change
Ward Data	79.4	17.6	201	162	157	1.1	14.0	-3.1	-21.9
East Craigs	76.5	19.5	99	88	70	1.5	10.0	-20.5	-29.3
Gyle	84.7	13.1	56	34	45	0.8	20.0	32.4	-19.6
North East Corstorphine	76.2	21.0	46	40	42	0.9	14.3	5.0	-8.7

Ward 4: Forth

	In Employment %	Economically inactive %	Total Claimant unemployed						
			2006	Q3 2007	Q4 2007	% >1 year	% LTU >1 year	Quarterly % Change	Annual % Change
Ward Data	66.6	28.0	940	784	683	3.5	12.4	-12.9	-27.3
Muirhouse/Drylaw	54.8	37.0	374	291	251	4.8	11.6	-13.7	-32.9
Pilton	67.0	27.7	282	228	198	3.8	13.6	-13.2	-29.8
Granton	65.7	29.1	231	215	187	4.1	12.8	-13.0	-19.0
Trinity	80.7	16.9	53	50	47	1.0	10.6	-6.0	-11.3

Ward 5: Inverleith

	In Employment %	Economically inactive %	Total Claimant unemployed						
			2006	Q3 2007	Q4 2007	% >1 year	% LTU >1 year	Quarterly % Change	Annual % Change
Ward Data	79.6	17.8	213	165	163	0.9	14.1	-1.2	-23.5
Craigleith	75.4	22.1	61	37	37	0.9	2.7	0.0	-39.3
Dean	82.1	15.2	55	47	46	0.9	13.0	-2.1	-16.4
Stockbridge	81.0	15.8	64	55	54	1.0	20.4	-1.8	-15.6
Davidsons Mains	79.0	19.0	33	26	26	0.6	19.2	0.0	-21.2

Ward 6: Corstorphine/Murrayfield

	In Employment %	Economically inactive %	Total Claimant unemployed						
			2006	Q3 2007	Q4 2007	% >1 year	% LTU >1 year	Quarterly % Change	Annual % Change
Ward Data	77.7	19.3	230	161	163	1.2	17.8	1.2	-29.1
Murrayfield	79.8	17.3	47	23	26	0.5	15.4	13.0	-44.7
South East Corstorphine	81.9	15.8	55	35	44	0.9	9.1	25.7	-20.0
Stenhouse	70.9	25.3	128	103	93	2.1	22.6	-9.7	-27.3

Ward 7: Sighthill/Gorgie

	In Employment %	Economically inactive %	Total Claimant unemployed						
			2006	Q3 2007	Q4 2007	% >1 year	% LTU >1 year	Quarterly % Change	Annual % Change
Ward Data	67.9	26.6	637	577	512	3.4	11.5	-11.3	-19.6
Parkhead	65.7	28.3	238	209	183	3.8	12.6	-12.4	-23.1
Moat	72.1	24.1	126	124	112	2.3	16.1	-9.7	-11.1
Murray Burn	66.1	27.3	273	244	217	4.1	8.3	-11.1	-20.5

Ward 8: Colinton/Fairmilehead

	In Employment %	Economically inactive %	Total Claimant unemployed						
			2006	Q3 2007	Q4 2007	% >1 year	% LTU >1 year	Quarterly % Change	Annual % Change
Ward Data	76.7	20.2	177	135	138	0.9	10.1	2.2	-22.0
Colinton	77.6	20.2	32	21	23	0.4	8.7	9.5	-28.1
Firrhill	71.7	23.1	102	87	95	2.1	11.6	9.2	-6.9
Fairmilehead	80.3	17.6	43	27	20	0.4	5.0	-25.9	-53.5

Ward 9: Fountainbridge/Craiglockhart

	In Employment %	Economically inactive %	Total Claimant unemployed						
			2006	Q3 2007	Q4 2007	% >1 year	% LTU >1 year	Quarterly % Change	Annual % Change
Ward Data	77.4	18.4	347	280	234	1.5	13.2	-16.4	-32.6
Craiglockhart	79.0	18.5	38	27	17	0.4	5.9	-37.0	-55.3
Shandon	81.9	14.2	147	123	106	1.7	16.0	-13.8	-27.9
Fountainbridge	71.0	23.2	162	130	111	2.0	11.7	-14.6	-31.5

Ward 10: Meadows/Morningside

	In Employment %	Economically inactive %	Total Claimant unemployed						
			2006	Q3 2007	Q4 2007	% >1 year	% LTU >1 year	Quarterly % Change	Annual % Change
Ward Data	69.8	26.7	209	171	162	0.8	12.3	-5.3	-22.5
Merchiston	74.0	22.1	62	55	46	0.8	4.3	-16.4	-25.8
North Morningside/Grange	73.0	23.7	60	46	45	1.0	26.7	-2.2	-25.0
Marchmont	55.9	40.0	44	44	42	0.7	9.5	-4.5	-4.5
South Morningside	78.6	18.8	43	26	29	0.6	6.9	11.5	-32.6

Ward 11: City Centre

	In Employment %	Economically inactive %	Total Claimant unemployed						
			2006	Q3 2007	Q4 2007	% >1 year	% LTU >1 year	Quarterly % Change	Annual % Change
Ward Data	68.8	26.1	376	323	292	1.6	13.0	-9.6	-22.3
Dalry	72.2	22.9	161	172	146	2.2	16.4	-15.1	-9.3
New Town	72.1	24.3	65	52	50	0.9	16.0	-3.8	-23.1
Tollcross	61.8	31.6	150	99	96	1.6	6.2	-3.0	-28.0

Ward 12: Leith Walk

	In Employment %	Economically inactive %	Total Claimant unemployed						
			2006	Q3 2007	Q4 2007	% >1 year	% LTU >1 year	Quarterly % Change	Annual % Change
Ward Data	75.9	19.9	529	434	381	2.3	15.2	-12.2	-28.0
Broughton	78.0	18.4	145	120	99	1.6	16.2	-17.5	-31.7
Calton	76.1	19.8	157	110	109	1.9	18.3	-0.9	-30.6
Harbour	73.2	21.7	227	204	173	3.5	12.7	-15.2	-23.8

Ward 13: Leith

	In Employment %	Economically inactive %	Total Claimant unemployed						
			2006	Q3 2007	Q4 2007	% >1 year	% LTU >1 year	Quarterly % Change	Annual % Change
Ward Data	76.1	19.7	584	466	441	2.9	13.2	-5.4	-24.5
Newhaven	73.0	22.7	211	183	158	3.1	10.1	-13.7	-25.1
Lorne	75.3	19.8	224	179	179	3.4	15.1	0.0	-20.1
Leith Links	80.0	16.5	149	104	104	2.1	14.4	0.0	-30.2

Ward 14: Craigentiny/Duddingston

	In Employment %	Economically inactive %	Total Claimant unemployed						
			2006	Q3 2007	Q4 2007	% >1 year	% LTU >1 year	Quarterly % Change	Annual % Change
Ward Data	69.8	25.5	632	608	567	2.8	13.9	-6.7	-10.3
Holyrood	57.9	34.8	198	186	173	3.4	17.3	-7.0	-12.6
Meadowbank	80.3	16.5	119	120	109	2.0	16.5	-9.2	-8.4
Mountcastle	75.4	21.0	104	93	81	1.7	11.1	-12.9	-22.1
Restalrig	65.1	30.1	211	209	204	4.0	10.8	-2.4	-3.3

Ward 15: Southside/Newington

	In Employment %	Economically inactive %	Total Claimant unemployed						
			2006	Q3 2007	Q4 2007	% >1 year	% LTU >1 year	Quarterly % Change	Annual % Change
Ward Data	59.2	36.6	273	230	206	0.9	10.7	-10.4	-24.5
Southside	56.2	39.1	117	113	96	1.5	10.4	-15.0	-17.9
Sciennes	66.5	29.6	51	32	33	0.6	21.2	3.1	-35.3
Newington	70.9	26.5	50	48	37	0.8	10.8	-22.9	-26.0
Prestonfield	45.8	48.8	55	37	40	0.7	2.5	8.1	-27.3

Ward 16: Liberton/Gilmerton

	In Employment %	Economically inactive %	Total Claimant unemployed						
			2006	Q3 2007	Q4 2007	% >1 year	% LTU >1 year	Quarterly % Change	Annual % Change
Ward Data	70.1	25.6	480	433	384	2.0	10.2	-11.3	-20.0
Alnwickhill	74.6	22.1	76	76	57	1.3	8.8	-25.0	-25.0
Kaimes	65.8	29.1	151	152	138	2.9	10.1	-9.2	-8.6
Moredun	64.8	29.6	174	149	133	2.9	10.6	-10.7	-23.6
Gilmerton	74.4	22.0	79	56	56	1.0	10.7	0.0	-29.1

Ward 17: Portobello/Craigmillar

	In Employment %	Economically inactive %	Total Claimant unemployed						
			2006	Q3 2007	Q4 2007	%	% LTU >1 year	Quarterly % Change	Annual % Change
Ward Data	70.0	25.7	577	471	412	2.3	14.3	-12.5	-28.6
Portobello	77.5	19.7	103	88	68	1.5	20.6	-22.7	-34.0
Milton	73.0	23.0	104	110	85	1.9	14.1	-22.7	-18.3
Craigmillar	52.2	40.6	269	208	196	4.5	13.3	-5.8	-27.1
Duddingston	76.6	20.1	101	65	63	1.3	11.1	-3.1	-37.6

EDINBURGH

	In Employment %	Economically inactive %	Total Claimant unemployed						
			2006	Q3 2007	Q4 2007	%	% LTU >1 year	Quarterly % Change	Annual % Change
Edinburgh	78.0	18.4	6850	5747	5221	1.7	12.6	-9.2	-23.8

Data rounded to nearest 5.

Percentage given is that of particular age/duration as a proportion of all age/durations within that particular gender.



Demand for Labour October 2007

Labour Demand Summary Statistics

Vacancies (October 2007)	Scotland	Edinburgh	VAT registered companies (Edinburgh)	2004	2005
Notified	45,115	6,206	Stock	12,320	12,495
Average length (weeks)	5.55	4.21	Registrations	1,445	1,390
Proportion >13 weeks old	8.8%	5.4%	De-registrations	1,190	1,210
...notified by Occupation			Employee Jobs (2005)	Scotland	Edinburgh
Managers & Senior Officials	2.3%	3.2%	Number	2,391,447	317,199
Professionals	2.1%	2.7%	% in ...Real estate and business services	14.0%	19.4%
Associate Professionals and Technicians	5.7%	4.2%	...Financial services	4.5%	13.7%
Administrative & Secretarial	8.5%	4.6%	...Health	5.3%	13.5%
Skilled Trades	10.1%	7.3%	...Tourism	8.8%	9.7%
Personal Services	6.3%	6.0%	...Retail	10.1%	8.8%
Sales & Customer Service	25.4%	31.5%	...Education	8.6%	8.1%
Process, Plant and Machine Operatives	9.2%	4.7%	...Public administration	6.7%	6.9%
Elementary Occupations	30.4%	35.8%	...Manufacturing	9.6%	4.1%
...notified by Industry			Wages (2006, residence based)	Scotland	Edinburgh
Primary Activities & Energy	5.5%	8.6%	Mean weekly wage (full-time)	£502.50	£573.00
Manufacturing	3.2%	1.3%	Mean weekly wage (part-time)	£170.00	£205.80
Construction	3.6%	2.0%			
Distribution, Hotels and Restaurants	23.5%	29.8%			
Transport & Communications	6.1%	10.5%	Mean weekly wage (full-time)	£612.40	£523.80
Financial Services	43.4%	38.2%			
Public Sector and Other Services	14.7%	9.6%			
			New business accounts established with Scottish clearing banks	Scotland	Edinburgh
Hotels and Restaurants	11.9%	14.6%		23,468	2,482
Retail	8.5%	12.3%			

Source: NOMIS

Job news is based on media announcements and redundancies notified by the DTI during Q4 of 2007. This column is intended to provide a snapshot of recent events in Edinburgh's labour market and should in no way be considered a comprehensive list of all redundancies and appointments. While every effort has been made to ensure a high degree of accuracy the authors can make no guarantees as to the accuracy of information quoted and interested parties should seek clarification from the companies concerned if further details are required.

Business Services

Edinburgh's printing industry received a welcome boost when Glasgow-based company **JC Thomson** expanded into the capital in October, with an initial investment of £250,000. The office will encompass typesetting, sales and customer service activities. It is unknown how many jobs will be created. The East of Scotland's printing industry has suffered many closures in recent years having been hit by growing international competition matched locally with under-investment.

Finance

Lloyd's TSB's private equity division, **Lloyds TSB Development Capital (LDC)** has opened its twelfth British and first Scottish branch in the capital. Its workforce is expected to reach a total of 10 in the near future.

Health

Elite Home Carers has gained contracts in Edinburgh and is set to increase its workforce by 20.

Hotels and Restaurants

Up to 200 jobs may be created on the unused East side of the **FountainPark** complex. X-Leisure, which owns and operates FountainPark, unveiled new plans which would see the vacant single story former night-club transform into a four-storey 171-room hotel development facing onto the main road at Fountainbridge. The land will also accommodate three restaurants boasting pavement cafe seating. It is hoped work on the development will get underway next year, subject to planning permission.

IT

Scottish Enterprise has awarded a £1m research grant to IT firm **Barco** towards developing its next generation of medical imaging software, which will make it easier for clinicians to diagnose and plan treatment. A team of 30 engineers and clinicians will be employed in their Edinburgh Faculty. The global software and technology company, headquartered in Belgium, established itself in the capital in 2004 when it acquired Voxar Ltd, a spinout from the University of Edinburgh.

Pharmaceuticals

North Carolina-based **AAI pharmaceuticals** have announced plans to expand its Edinburgh operation, creating almost 50 new jobs over the next three years. The company is currently based at the Technopole, but is planning to move to the Riccarton area. The new project is being supported by a Regional Selective Assistance Grant of £400,000 from the Scottish Government. They have chosen to expand in the city because of its highly-skilled life sciences labour supply.

Meanwhile, nine people have lost their jobs after a provisional liquidator was appointed to take the reins at **Viragen (Scotland)**. The cancer treatments research company, based at the Pentland Science Park, had reported losses of over £13m in the nine months to June 2007.

Retail

Marks & Spencer will recruit an extra 287 employees for the festive season, including 108 in The Gyle and 55 at Princes Street. The additional staff will work as customer assistants, Café Revive staff and in warehouse roles.

On a slightly smaller scale, Multrees Walk is set to reach full take-up shortly with four new arrivals, **Kurt Geiger**, **Bravissimo**, **Oscar & Fitch** and **Firetrap** all having signed leases for vacant units.

Meanwhile on George Street, royal tailor **Hardy Amies** also opened a shop in October creating eight new jobs, while American upmarket clothier **Brooks Brothers** established its first Scottish branch on the street in November.

Transport

It is thought that 40 of the 100 **Forth Estuary Transport Authority** jobs on the Forth Road Bridge will be lost by the end of the year, when tolls are expected to be scrapped. Two senior management positions will also be merged into one.

Known total gain: 605 (287 temporary).

Known total loss: 49.



With claims of Jobseekers Allowance (JSA) still falling, Government policy on welfare reform is increasingly focusing on people who are economically inactive, mostly those who are claiming Incapacity Benefit (IB) and Income Support (IS). This is an approach suited to the Edinburgh labour market in which the JSA count in October 2007 stood at 5,222, that is a rate of 1.7%; whereas 21,970 were claiming IB and 4,910 were on IS for Lone Parents (May 2007). The total on these two 'inactive benefits' amounted to 9.2% of the working age population.

People are eligible for IB if they have an illness or disability which means that they cannot work and they have no other sources of income. Most people in these circumstances do hope to work again and many do, sometimes moving from IB onto JSA as they recover. This is shown by the estimation of the unemployment rate using the international standard (ILO) as 5.3% in Edinburgh in March 2007. This means that there are people claiming IB and IS who are actively seeking work, as is well understood by Job Centre Plus (JCP) and partners in Joined Up For Jobs. There are many more who can work with the right support – a common estimate is 30% – but who experience a range of barriers to getting back into the labour market.

Pathways to Work

The most immediate big change locally is the introduction of Pathways to Work for IB claimants in Edinburgh on the 3 December. Most new claimants of IB will be required to participate and it will also be available to voluntary participation by existing claimants. It involves a menu of

Work-Focused Interviews, Condition Management, Job Brokerage and other services. It will be run for Jobcentre Plus by Work Directions under a contract in which they expect to see 16,900 customers in Lothian and the Borders over three years, of whom about half, that is 8,450 will be Edinburgh residents. Work Directions expect that up to 45% of these will eventually move into work.

From Incapacity Benefit to Employment and Support Allowance

In October 2008, IB will be replaced by the new Employment and Support Allowance. As part of these changes the Personal Capability Assessment, which is seen as labelling people as 'incapable of work' will be changed. The new allowance will focus on helping people into work and will not automatically assume that because a person has a significant health condition or disability they are incapable of work.

In the longer term, the government's latest Green Paper on Welfare Reform, 'In Work, Better Off', heralds further changes in benefits and employment services.

A Flexible New Deal

The government is proposing that instead of having a number of New Deals for different groups of claimants, there should be one flexible New Deal giving access to a menu of options on a personalised basis. For the first year of unemployment this will be delivered by JCP; after that claimants will be referred to a specialist return to work provider contracted to DWP.

Lone Parents

More controversially, the proposal in the Green Paper is that the conditions under which lone parents can claim Income Support should be changed – that from October 2008 lone parents with a youngest child aged 12 or over will no longer be entitled to Income Support solely on grounds of being a lone parent. From 2010 this age may be reduced to seven.

The Green Paper can be found at <http://www.dwp.gov.uk/welfarereform/in-work-better-off/>

The comments submitted on this Green Paper by CCP will be available shortly on the Joined up for Jobs website: www.joinedupforjobs.org.uk



Useful Definitions, Documents and Links

Unemployment

Unemployment rates are based on Job Seekers Allowance (JSA) Claimant Count data which records the number of people claiming JSA and National Insurance credits at Job Centre Plus local offices.

Economic inactivity

Economic inactivity is a measure of the proportion of the working aged population who are not actively seeking employment. This would include those on long-term disability benefits, students and home-makers.

Long-Term Unemployed (LTU)

Are defined as those in receipt of benefit for 12 months or more.

Economic activity

Economic activity is a measure of the proportion of the working aged population considered to be playing an active role in the labour market. This therefore includes those who are unemployed but available for and actively seeking work as well as those currently in employment.

Vacancies notified

Data about vacancies is based on the total vacancies notified to employment service job centres in any given period. Since not all vacancies are notified in this way these data are not a comprehensive source and provide only an indication of the type and level of vacancies available at any time.

ROA wards

The Regeneration Outcome Agreement is a commitment with Central government to support the regeneration of communities falling within the worst 15% of data zones, as defined in the Scottish Index of Multiple Deprivation (SIMD 2004). Further details can be found at: http://www.joinedupforjobs.org.uk/employment/docs_agreements.shtml

Ward Boundaries

Maps of the "New" (fourth review) and "Old" (third review) ward boundaries used in the bulletin can be found at <http://www.bcomm-scotland.gov.uk/index.html>

Documents

Access to Employment and Enterprise Annual Report 2006: City Development, December 2006

Access to Employment and Enterprise Annual Report 2006: City Development, August 2007

Working Capital and Capital Review: City Development

For more information visit our websites or contact the Access to Employment team

Joined up for Jobs website (Labour Market information) <http://www.joinedupforjobs.org.uk>

Capital Review website (Economic information) <http://www.capitalreview.co.uk>

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